

Multi-Casino Table Game Systems

Accounting And Internal Controls

Temporary Amendments: N.J.A.C. 19:45-1.8, 1.11, 1.39B and 1.52

Temporary New Rule: N.J.A.C. 19:45-1.39C

Authority: N.J.S.A. 5:12-5, 63, 69, 70, 99 and 100

The temporary rules follow:

Summary

N.J.A.C. 19:45-1.39B presently permits a casino licensee to operate a table game with a progressive payout wager, and to link two or more such tables in the same casino. See N.J.A.C. 19:45-1.39B(d). The temporary amendments and new rule would permit two or more casino licensees to operate a linked table game progressive payout wager, to be known as a “multi-casino table game system.” See temporary new rule N.J.A.C. 19:45-1.39C(a).

Each such system would be operated by the participating casino licensees in accordance with the terms of a written agreement approved by the Commission and executed by each participating casino licensee. All casino licensees participating in a multi-casino table game system agreement would be jointly and several liable for the payment of all progressive payouts as well as all acts, omissions and violations committed by any participating casino licensee, regardless of whether they had knowledge of such act, omission or violation, and notwithstanding any contractual provision to the contrary. See temporary new rule N.J.A.C. 19:45-1.39C(d).

A multi-casino table game system would be controlled and operated from a location approved by the Commission, which would be in a restricted area located on the premises of a casino hotel. The area would be under the sole possession and control of, and maintained and operated by, employees of a casino licensee designated in the agreement for that multi-casino table game system. The area would also be required to have continuous clandestine CCTV coverage, and to be readily accessible to Commission and Division personnel 24 hours a day. See temporary new rule N.J.A.C. 19:45-1.39C(g) and the temporary amendment to 19:45-1.11(b)1(xv).

A multi-casino table game system would be subject to essentially the same record-keeping requirements as a multi-casino progressive slot system. See temporary N.J.A.C. 19:45-1.8. It should also be noted that multi-casino table game systems would be subject to the requirements of N.J.A.C. 19:45-2.1 since they are not excluded from the definition of a "casino computer system." Payment of all winning progressive multi-casino table game system wagers would be made in accordance with the requirements of N.J.A.C. 19:45-1.52.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

19:45-1.8 Retention, storage and destruction of books, records and documents

(a) No change.

(b) For the purposes of this section, "books, records and documents" shall be defined as any book, record or document pertaining to, prepared in or generated by the operation of a casino, a casino simulcasting facility, a multi-casino progressive slot system, **multi-casino table game system** or an approved hotel including, but not limited to, all forms, reports, accounting records, ledgers, subsidiary records, computer generated data, internal audit records, correspondence and personnel records. This definition shall apply without regard to the medium through which the record is generated or maintained, for example, paper, magnetic media or encoded disk.

(c) All original books, records and documents shall be retained by a casino licensee in accordance with the following schedules. For purposes of this subsection, "original books, records or documents" shall not include copies of originals, except for copies which contain original comments or notations or parts of multi-part forms.

1. - 4. (No change.)

5. The following original books, records and documents shall be retained by a casino licensee for a minimum of one year:

i. - xi. (No change.)

xii. Daily operating reports generated by multi-casino progressive slot systems **and multi-casino table game systems**;

xiii. Logs of all multi-casino progressive slot system **and multi-casino table game system** events and problems; and

xiv. (No change.)

6. – 8. (No change.)

9. The following original books, records and documents shall be retained by a casino licensee for a minimum of seven days and may be destroyed without the notice required by (f) below unless the Commission or Division directs otherwise pursuant to (g) below:

i. – ii. (No change.)

iii. Contribution invoices sent to casino licensees participating in a multi-casino progressive slot system **or a multi-casino table game system**; and

iv. Jackpot activity reports generated by a multi-casino progressive slot system **and progressive payout reports generated by a multi-casino table game system**.

10. (No change.)

11. The following original books, records and documents do not have to be retained by a casino licensee for any minimum period of time and may be destroyed without the notice required by (f) below::

i. – xxii. (No change.)

xxiii. Handle pull or play reports generated by a multi-casino progressive slot system **or a multi-casino table game system**..

(d) – (i) (No change.)

19:45-1.11 Casino licensee's organization

(a) No change.)

(b) In addition to satisfying the requirements of (a) above, each casino licensee's system of internal controls shall include, at a minimum, the following departments and supervisory positions. Each of the departments and

supervisors required or authorized by this section (a “mandatory” department or supervisor) shall cooperate with, yet perform independently of, all other mandatory departments and supervisors of the casino licensee.

Notwithstanding the foregoing, a department or supervisor of a casino licensee that is not required or authorized by this section may operate under or in conjunction with a mandatory department or supervisor unless the Commission subsequently disapproves such operation as being inconsistent with the standards contained within N.J.S.A. 5:12-99a(3) and (a) above.

Mandatory departments and supervisory positions are as follows:

1. A surveillance department supervised by a person referred herein as the director of surveillance. The director of surveillance shall be subject to the reporting requirements specified in (c) below. The surveillance department monitoring room shall be supervised by a casino key employee who shall be present in the room at all times or, if not present, be within immediate contact and at a known location on the premises. The surveillance department shall be responsible for, without limitation, the following:

i. – xiv. (No change.)

xv. The clandestine surveillance of the operation of computer monitoring rooms for multi-casino progressive slot systems **and multi-casino table game systems;**

xvi. – xviii. (No change.)

19:45-1.39B Table game progressive payout wagers

(a) This section shall apply to any table game with a progressive payout wager approved by the Commission. If a casino licensee offers a table game with a progressive payout wager, it may be offered individually at [each] a gaming table, or the casino licensee may connect the progressive wager among two or more **of its** tables so that the progressive amount increments for all **progressive** wagers **made** at these two or more tables. **With prior approval of the Commission, two or more casino licensees may operate a multi-casino table game system with a progressive payout wager in accordance with**

the requirements of this section and N.J.A.C. 19:45-1.39C, so that the progressive amount increments for all progressive wagers made at these tables in the participating casinos.

(b) – (h) (No change.)

(i) If the progressive meter progresses without a payout until the meter returns to zero because of digital limitations on the meter, some means must be utilized to clearly advise the patrons of the value of the undisplayed digit.

Recodify existing (i) – (n) as (j) – (o) (No change in text.)

19:45-1.39C Linked table game progressive payout wager interconnected in more than one casino

(a) Two or more casino licensees may, with the prior approval of the Commission, operate a linked table game progressive payout wager pursuant to N.J.A.C. 19:45-1.39B that is interconnected in more than one casino (a “multi-casino table game system”).

(b) Each multi-casino table game system shall be operated and administered by the participating casino licensees in accordance with the terms of a written agreement that has been approved by the Commission and executed by each participating casino licensee (“multi-casino table game system agreement”).

(c) Each multi-casino table game system agreement shall specifically identify and describe the role, authority and responsibilities of each participating casino licensee in the conduct of the system, including without limitation:

1. A description of the process by which significant decisions that affect the operation of the game are approved and implemented by each casino licensee;

2. The manner in which all payouts, fees and taxes associated with the operation of the multi-casino table game system will be funded and paid; and

3. The casino licensee responsible for generating, maintaining and filing all records and reports required by the Act and rules of the Commission.

(d) All casino licensees participating in a multi-casino table game system agreement shall be jointly and several liable for the payment of all progressive payouts and any acts, omissions and violations committed by any participating casino licensee, regardless of whether they had knowledge of such act, omission or violation, and notwithstanding any contractual provision to the contrary.

(e) Any multi-casino table game system approved by the Commission shall be operated in accordance with all relevant requirements of the Act and the Commission's regulations governing the conduct of gaming. Any casino licensee seeking approval to operate or participate in a multi-casino table game system shall submit for Commission approval a system of accounting and internal controls specifying the manner in which the participating casino licensees will satisfy the requirements of the Act and the Commission's regulations concerning the operation of authorized table games and multi-casino table game systems.

(f) A casino licensee may, with the prior approval of the Commission, designate one or more casino key employees to represent the interests of the casino licensee in the operation and control of a multi-casino table game system. Any designated representative shall only be permitted to exercise the duties and responsibilities he or she is authorized to perform for the casino licensee pursuant to N.J.A.C. 19:45-1.11; provided, however, a designated representative may also communicate information and directions concerning the operation and control of the system to or from other employees of the casino licensee who are authorized to exercise responsibility for such matters.

(g) Each multi-casino table game system shall be monitored, controlled and operated from a location approved by the Commission, and which location shall:

- 1. Be in a restricted area on the premises of a casino hotel;**
- 2. Be under the sole possession and control of, and maintained and operated by, employees of a casino licensee designated in the table game system agreement for that multi-casino table game system;**
- 3. Have continuous clandestine CCTV coverage of the location, the operation of the system and its equipment by the surveillance department of a casino licensee designated in the agreement for that multi-casino table game system;**
- 4. Be accessible only through a locked door, with dual key control by the Commission and the casino licensee, which door shall be equipped with an alarm device that audibly signals the CCTV monitoring room whenever the door is open;**
- 5. Have an Entry Log, which shall be:**
 - i. Kept within the location;**
 - ii. Maintained in a book with bound numbered pages that cannot be readily removed;**
 - iii. Signed by each person who enters the location, with each entry containing, at a minimum, the following information:**
 - (1) The date and time of entry;**
 - (2) The entering person's name, his or her department or employer and, if applicable, his or her employee license number;**
 - (3) The reason for entry;**
 - (4) The name of the person authorizing the person's entry; and**
 - (5) The date and time of exit;**
- 6. Be readily accessible to Commission and Division personnel 24 hours a day;**

(a) Whenever a patron wins a table game progressive payout pursuant to N.J.A.C. 19:45-1.39B **or 1.39C**, the casino licensee may either:

1. – 3. (No change.)

(b) – (f) (No change.)